

Message Text

CONFIDENTIAL

PAGE 01 OTTAWA 06271 141633Z
ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 CIAE-00 DODE-00 NSAE-00
NSCE-00 SSO-00 USIE-00 INRE-00 ERDA-05 AID-05
CEA-01 COME-00 EPG-02 FEAE-00 FPC-01 H-01 INR-07
INT-05 L-03 NSC-05 OMB-01 PM-04 OES-07 SP-02
SS-15 STR-04 TRSE-00 ACDA-07 EURE-00 /095 W
-----053679 141640Z /43

O 141625Z JUL 77
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC IMMEDIATE 4108
INFO AMCONSUL MONTREAL
ALL OTHER CONSULATES IN CANADA (POUCH)

C O N F I D E N T I A L OTTAWA 06271

PASS WHITE HOUSE/SCHLESINGER AND GOLDMAN, FEA AND FPC

EUR/CAN FOR AMB ENDERS

E.O. 11652: GDS
TAGS: ENRG, CA
SUBJECT: GROWING CONSENSUS THAT ALCAN IS INEVITABLE U.S.
PIPELINE CHOICE
REF: A. OTTAWA 5993, B. OTTAWA 6141

1. ACCORDING TO LEAD ARTICLE IN JULY 16 FINANCIAL POST,
NEB RECOMMENDATION FAVORING FOOTHILLS-YUKON (ALCAN)
PROJECT, ALONG WITH GOC COMMITMENT TO INCREASE OIL AND
GAS PRICES AND ACCELERATED GAS EXPORTS (SEE REFTTEL A),
IS STIRRING WAVE OF INVESTMENT BUYING IN OIL AND GAS
STOCKS. OIL AND GAS OFFICIALS BELIEVE DESPITE SOME
POSSIBLE PROBLEMS, PROSPECTS ARE GOOD FOR PUTTING TOGETHER
VIABLE PROJECT.

2. CONSENSUS AMONG INDUSTRY OFFICIALS SURVEYED BY
FINANCIAL POST IS THAT DESPITE INTENSIFIED LOBBYING
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BY EL PASO FOLLOWING NEB TURNDOWN OF ARCTIC GAS,
EL PASO HAS ONLY OUTSIDE CHANCE. THEIR VIEW IS THAT
FPC PREFERENCE FOR OVERLAND ROUTE TOGETHER WITH NEB
RECOMMENDATION ALL BUT RULE OUT USG APPROVING EL PASO.
3. COMMENT: ARTICLE REFLECTS ACCELERATING MOMENTUM OF
ALCAN BANDWAGON HERE AND GROWING CANADIAN BELIEF THAT
USG IS CERTAIN TO CHOOSE ALCAN OVER EL PASO. ONE

POSSIBLE IMPLICATION OF THIS TREND IS THAT GOC, UNDER
PRESSURE FROM ECONOMIC NATIONALISTS AND THEIR ALLIES
(SEE REFTEL B), MIGHT PILE CONDITIONS AND COSTS ON ALCAN
PROJECT IN ADDITION TO THOSE ALREADY STIPULATED BY
NEB. CONTAINING THESE PRESSURES WILL REQUIRE CONTINUING
EFFORT TO CONFIRM THAT EL PASO IS VIABLE USG OPTION.
DUEMLING

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Message Attributes

Automatic Decaptioning: X
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Concepts: EXPORTS, NATURAL GAS, POLICIES, PIPELINES
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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Secure: OPEN
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Subject: GROWING CONSENSUS THAT ALCAN IS INEVITABLE U.S. PIPELINE CHOICE
TAGS: ENRG, CA
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vdkgvwkey: odbs://SAS/SAS.dbo.SAS_Docs/b881566b-c288-dd11-92da-001cc4696bcc
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